

GENERIC PROMOTIONS, RESEARCH AND EDUCATION
PROGRAMS OF
NATIONAL AGRICULTURAL COMMODITY ORGANIZATIONS

by

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^{1/} This report summarizes part of the first author's M.S. thesis of the same title, Ohio State University, 1983.

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EXECUTIVE SUMMARY AND CONCLUSIONS

Consumer interest in nutrition and health has grown considerably over the past decade. As a whole, the food industry has responded to this interest by highlighting nutrition information on labels and through their advertising and education programs. A new competitive dimension--nutrition--has emerged.

This development has particular significance for commodity producers since their products compete for consumer dollars in the same markets as do brand products, some of which are promoted as being nutritionally superior to or in some way more healthy than the basic commodities upon which they have been patterned. The Dietary Goals for the United States, a document formulated in 1977 by the Senate Select Committee on Nutrition and Human Needs, encouraged the public to increase consumption of certain commodity classes and to avoid others. This study was undertaken to evaluate the extent to which organizations representing commodity producers at the national level have responded to this widespread interest in health and nutrition and to government policies embodied in the Dietary Goals.

Sixty-seven diverse organizations representing a broad range of agricultural commodities were included in this study. Total budgets ranged from a low of six thousand to a high of thirty-nine million dollars. Funds were collected mainly through mandatory and voluntary checkoffs, membership dues and, to a lesser extent, voluntary contributions. Forty percent of the organizations represented producers only while the remainder also included in their membership such marketing intermediaries as handlers, processors and manufacturers.

Organizations were classified into four groups based upon their administrative structure and legal status. Eighteen percent operated under federal legislation or marketing orders, while thirty-four percent were established at the state level through statutes or marketing orders. Voluntary organizations comprised thirty percent of the responses and the remaining organizations were classified as "mixed." Although organizations in the latter group did not operate under any direct governmental authority, they could not be categorized as voluntary because they relied heavily on the checkoff contributions of their affiliate organizations. Altogether, seventy percent operated with some degree of direct or indirect government involvement. Less than a third had affiliates at the regional, state or local levels.

Eighty-one percent of the organizations sponsored or conducted research. The majority did market and/or production research whereas only a third did health and nutrition research. Eighty-four percent did advertising and promotions, and the most popular media used were point of purchase materials and magazines. Consumers and food service/retail food tradespeople were the main target audiences for magazine advertising.

All but one organization had some type of educational activities and most employed a combination of media and methods. The vast majority utilized source materials and photos for food and/or agricultural editors, and recipes, however, exhibits held at meetings, shows or conventions, newsletters, press releases and educational leaflets were also used by over half of them. The most prominent target audiences for these educational efforts were food editors and food service/retail food tradespeople. To a lesser extent, consumers, educators, producers, marketing intermediaries and health professionals were targeted.

Of the organizations that advertised, over three quarters highlighted nutrition and health information and a third of them featured this information prominently. Eighty-six percent of the organizations that had education programs featured health and nutrition information. Nearly half noted that such information figured prominently in their education programs and materials.

On average, organizations that conducted or sponsored research spent 16 percent of their total budgets on this activity. Those that advertised and had education programs spent an average of 43 and 26 percent of their budgets, respectively, on those activities. An average of 30 percent was allocated to other expenses such as administration, lobbying and government affairs and membership and export development.

Organizations representing commodities associated with adverse health affects according to the Dietary Goals gave proportionately more emphasis to nutrition and health information in their research agenda and in their promotions and education programs compared to those representing other commodities. They also gave higher importance ratings to certain health professionals, educators and others that potentially influence consumer food purchase decisions. Despite the observed differences between the two groups however, many organizations representing commodities that were either encouraged or ignored by the recommendations set out in the Dietary Goals also highlighted the nutritional and health qualities of their products. They also acknowledged the importance of certain key persons in shaping consumer attitudes.

Organizations with relatively larger budgets targeted a greater number of different audiences through their magazine advertising and education programs than did those with smaller budgets. Total budget was found to be positively related to the proportion of the budget spent on advertising and promotions and to the share of the research budget devoted to market development research. Negative relationships were found to exist for research and education as a share of total budget and for production research as a share of the research budget.

Organizations representing relatively income elastic commodities emphasized health and nutrition information in their advertising and education programs and in their research agenda to a greater extent than those representing income inelastic ones. Income elasticity was found

to be positively related to the share of the research budget allocated to health and nutrition research and negatively to advertising and education as a share of total budget.

Organizations representing relatively price elastic commodities emphasized magazine advertising to consumers and allocated larger shares of their total budgets to advertising and education compared to those representing price inelastic commodities. Although they spent proportionately less for research than the other groups, a larger share of their research budgets went to market rather than to production or health and nutrition research.

In conclusion, the primary focus of most commodity organizations in this study was on education and promotions. Of the minority that sponsored or conducted research, most favored production and marketing research. Much less emphasis was placed on health and nutrition research except by those representing commodities associated with adverse health affects according to the Dietary Goals.

In their advertising programs, the majority employed point of purchase materials and magazines, both of which are more durable over time compared to the less frequently used media (radio, newspapers and television). Target audiences were primarily consumers and the food service/retail food trade. In contrast, the category "education" encompassed activities ranging from informational leaflets for general distribution to sophisticated multi-media packages developed for specific audiences. Most utilized a number of media and methods and seemed to tailor their educational approaches to the specific audiences they desired to reach.

Most organizations utilized health and nutrition information to some extent in their advertising, and especially in their education programs. Although proportionately more organizations representing commodities that the Dietary Goals advised consumers to avoid featured health and nutrition information prominently, the fact that so many others did as well suggests that health and nutrition was an important competitive dimension of the marketing plans of the majority of organizations in this study.

The results also indicated that as total budget increased, the overall program emphasis turned increasingly to market expansion activities like advertising and market research and away from commodity or production research, education and research in general. These results imply that organizations may have allocated a certain basic portion of their funds to education and where required, to research. As total budget increased, and as the education and research needs were met, more demand-stimulating activities were undertaken relative to research and education.

INTRODUCTION

Over the past few decades, agricultural producers have increasingly organized under the leadership of commodity organizations which represent their collective interests and work to give them a voice in the market. Unlike firms which strive to differentiate their products from others of their class through brand names, commodity organizations represent their product classes as a whole through generic programs.

The term "generic" generally describes advertising and promotion programs designed to benefit all producers of a particular commodity and, in turn, the total industry. However, research and education programs may also be characterized as generic if all producers potentially benefit.

Most research that has been done on the subject of generic programs has focused on the effectiveness of advertising and promotions directed to consumers. The fundamental questions have been, first: is generic advertising worth doing and, assuming the answer is affirmative: what is the optimum expenditure level? Previous research efforts also have almost always proceeded under the assumption that the goal of commodity organizations is to expand total market demand.

This research took a somewhat different approach. The study dealt not only with advertising and promotions, but with research and education activities as well. A detailed examination was made of the research agenda and of the media and methods utilized in advertising and education programs. Budgetary allocations among these activities also were determined to assess more accurately the priorities of the commodity organizations in this study. Instead of concentrating exclusively on consumer activities, this study determined the various groups to which commodity organizations directed their advertising and education programs. Another objective of the research was to examine a host of factors, both qualitative and quantitative, that might have influenced decisions about target audiences and budgetary expenditures.

Particular attention was given to nutrition as a marketing strategy. Government-sanctioned generic programs have in recent years increasingly stressed the importance of consumer education, especially nutrition education. Nutrition has become an important marketing strategy among brand name firms, some of which manufacture products that compete directly with or substitute for commodity products.

Another recent development with implications for commodity producers has been the publication of the Dietary Goals for the United States in 1977. The Goals, which were formulated by the Senate Select Committee on Nutrition and Human Needs, were set forth in the form of six statements recommending specific dietary changes for the general public to reduce the incidence of long-term degenerative diseases. Three of the statements recommended the reduction of total dietary fat, saturated fat and cholesterol, all found in varying amounts in animal

products. Other statements encouraged the public to increase consumption of certain other product classes, primarily fresh fruits and vegetables and whole grain products. The Goals, while highly controversial, generated much publicity and attracted the attention of consumers, the media and the medical and science communities. This study attempted to assess the impact of these recent developments on the strategies and programs used by organizations representing a broad range of commodities.

This report summarizes the simple tabular results of a questionnaire that was sent to organizations representing a broad range of agricultural commodities at the national level. The questionnaire focused on their generic promotions, research and education activities. Specifically, the questionnaire obtained information concerning how organizations allocated their budgets among the three activity categories, what promotional and educational media and methods they employed and which audiences they targeted. Additionally, the research agenda, the importance assigned to each of a number of consumer-influencers and the use of nutrition and health information as an element of their marketing strategies were examined.

This report also discusses findings involving four factors that were assessed for their impact on the questionnaire results. The variables include the Dietary Goals, total budget, income elasticity and price elasticity.

STUDY FINDINGS

STUDY CRITERIA AND ORGANIZATION IDENTIFICATION

Five criteria were applied in the selection of commodity organizations for this study. First, organizations had to represent growers or producers. Organizations representing intermediaries from the marketing channel such as handlers, processors and manufacturers, were included as long as they also represented commodity producers or growers.

Second, organizations had to represent edible commodities since one of the central points of investigation in this study dealt with nutrition. Third, to keep the study manageable but representative, only organizations operating at the national level were included. Although the activities of affiliate organizations were acknowledged, they were incidental to this study.

Fourth, organizations were included only if they had research, advertising and/or education programs, although several that did only research were excluded. Finally, organizations had to focus all or most of their efforts on generic rather than brand-identified programs. Organizations that did both were included in the study only after brand activities and expenditures were netted out.

Organizations were identified through four sources. State agricultural departments and the USDA provided information on those operating under legislative authority or marketing orders. Others were found through the Encyclopedia of Associations in the section entitled "Agricultural Organizations and Commodity Exchanges." Finally, respondents were asked to indicate on the questionnaire if they were aware of any other organizations that did similar activities at the national level on behalf of their commodities and, if so, to provide the information necessary to contact them.

The questionnaire was designed to obtain cross-sectional data covering a one year period, specified on the questionnaire as "the most recently completed one year accounting period." Most of the data were from 1981 and 1982. Questionnaires were mailed to 142 organizations representing a broad range of commodities and 111 (78 percent) were returned. Of these, forty-one failed to meet all of the established study criteria and three of the remaining 70 organizations did not complete the questionnaire, although their answers to certain screener questions indicated that they met all of the study criteria. In total, 67 commodity organizations are represented in the report.

CHARACTERISTICS OF RESPONDENT ORGANIZATIONS

Fifty-three different commodities or commodity classes were represented in this study (Table 1). Organizations were classified into four groups based upon their administrative structure and legal status (Table 2). Fifty-two percent of them operated under the authority of government statutes or marketing orders--18 percent at the federal level and 34 percent at the state level. Thirty percent were strictly voluntary organizations and the remainder were classified as mixed. Mixed organizations obtained a major share of their operating revenue from affiliate organizations which collected funds through marketing orders or legislative provisions. Although mixed organizations did not function under the direct authority of the federal or state governments, they could not be categorized as entirely voluntary because of their indirect dependence on check-offs.

Respondents indicated the importance to their organizations of four methods for generating operating funds (Table 3). Mandatory assessments were of prime importance to a majority of these organizations and membership dues and voluntary assessments contributed somewhat less. Nearly a fourth of the respondents identified other funding methods that were very important.

The membership composition of respondent organizations was varied (Table 4). As required by the study criteria, all organizations represented producers--54 percent represented producers of a particular state or geographic region and the remainder represented those nationally. However, 61 percent included other than producers in their membership ranks. Over 50 percent represented such market intermediaries as

Table 1. COMMODITIES REPRESENTED BY ORGANIZATIONS STUDIED

Fruits	Vegetables	Grains/Legumes	Nuts	Animal Products	Oils
apples	asparagus	dried beans	almonds	beef	soybeans
apricots	artichokes	dried peas	filberts	lamb	sunflower
avocados	celery	durum wheat	peanuts	pork	
blueberries	iceberg lettuce	lentils	pecans	broilers	
cherries	leafy greens	rice	pistachios	capon	
citrus	mushrooms	wheat		duckling	
figs	onions			eggs	
grapes	potatoes			turkey	
limes	sweet corn			dairy products	
nectarines	sweet potatoes			fish	
olives	tomatoes				
papayas	yams				
peaches					
pears					
plums					
raisins					
raspberries					
strawberries					

Source: Survey data.

Table 2. TYPES OF ORGANIZATIONS

Type of Organization	Number of Responses	Percent of Total
Federal Legislation or Marketing Orders	12	18
State Legislation or Marketing Orders	23	34
Voluntary	20	30
Mixed	<u>12</u>	<u>18</u>
Total	67	100

Source: Survey data.

Table 3. IMPORTANCE OF FUNDING METHODS^{1/}

Funding Method	Importance Rating			Total
	Very	Fairly/Somewhat	Not	
	number of responses (percent)			
Mandatory Assessments	45 (67)	2 (3)	20 (30)	67 (100)
Membership Dues	22 (33)	3 (4)	42 (63)	67 (100)
Voluntary Assessments	21 (31)	6 (9)	40 (60)	67 (100)
Voluntary Contributions	11 (17)	15 (22)	41 (61)	67 (100)

^{1/} Other funding methods identified as very important included interest income, material sales to members, patent licenses, special contracts, services/rental income, premium program and excise tax revenue. In addition, a total of six organizations indicated that state and federal government grants were very important.

Source: Survey data.

Table 4. ORGANIZATION MEMBERSHIP

Membership Group	Number of Responses	Percent of Total
Producers--state/regional level	37	55
Producers--national level	30	45
Total	<u>67</u>	<u>100</u>
Packers, Processors, Manufacturers	36	53
Handlers, Distributors	29	43
Retailers	6	9
Other ^{1/}	5	7

^{1/} Includes consumers, drug firms, equipment manufacturers, food service, restaurants and importers.

Source: Survey data.

Table 5. INVOLVEMENT BY AFFILIATE ORGANIZATIONS AT THE STATE, LOCAL OR REGIONAL LEVELS IN RESEARCH, ADVERTISING AND EDUCATION ACTIVITIES

Activity	Involvement Level				Total ^{1/}
	Not	Somewhat	Fairly	Very	
	number of responses (percent)				
Research	2 (11)	11 (61)	4 (22)	1 (6)	18 (100)
Advertising	6 (33)	2 (12)	6 (33)	4 (22)	18 (100)
Education	4 (22)	3 (17)	6 (33)	5 (28)	18 (100)

^{1/} Eighteen organizations had affiliates. Percentages are based on a sample of 18.

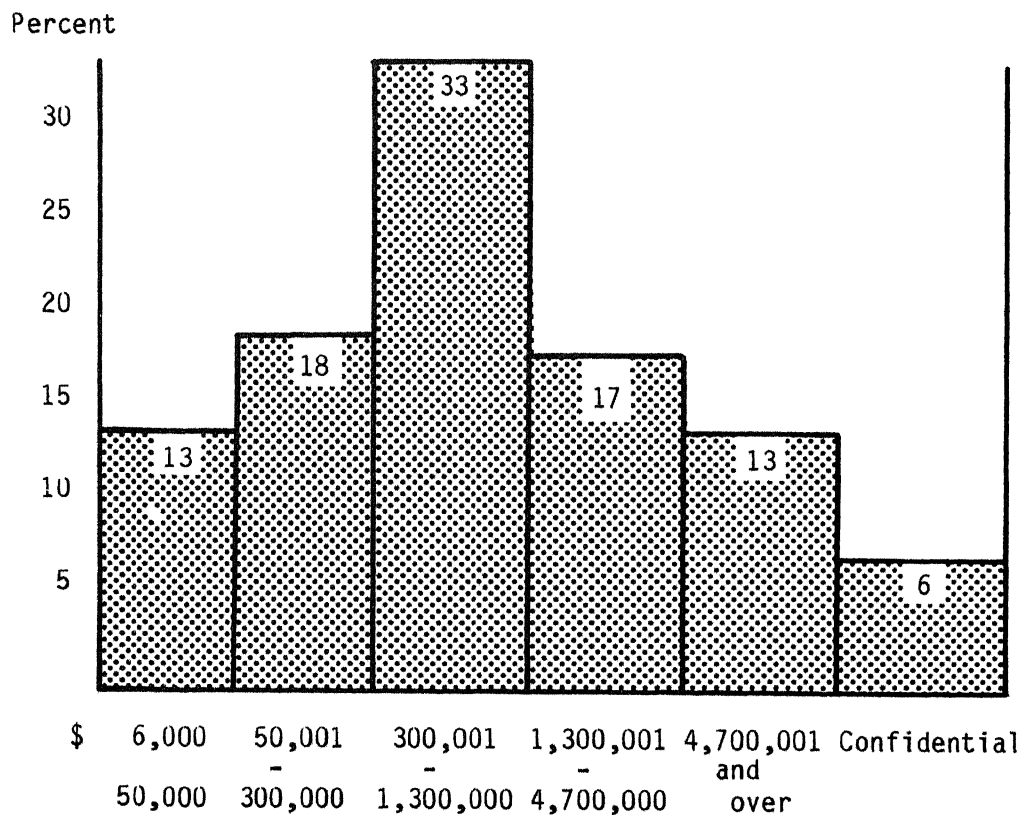
Source: Survey data.

packers, processors and manufacturers as well as producers, while 43 percent included handlers and distributors. Nine percent also represented retailers.

Twenty-seven percent had affiliate groups at the regional, state and/or local levels. Over half of the affiliates were involved to some extent in advertising and education activities (Table 5). Research did not appear to be an important affiliate activity.

The organizations comprised a rather diverse group. This is demonstrated most clearly by their total operating budgets (Figure 1). Budgets ranged from a low of \$6 thousand to a high of \$39 million. The mean, excepting four confidential budgets, was \$2,285,989. A breakdown of budgets by type of organization revealed that mixed organizations had the largest budget, on average followed by federal and state level organizations, in that order, excluding the \$39 million outlier from the latter category (Table 6). Voluntary organizations had the smallest average budget.

Figure 1. PERCENT OF ORGANIZATIONS BY TOTAL BUDGET RANGE



Source: Survey data.

RESEARCH

Eighty-one percent of organizations sponsored or conducted research. Seventy-four percent of these did market development research and 72 percent did commodity improvement or production research (Figure 2). One third did human health and/or nutrition research and 17 percent conducted or sponsored research that was not readily categorized into one of these three classifications.

Six of the 54 organizations (11 percent) that did research were required by their charters or bylaws to allocate a portion of their funds to research. Another nine (17 percent) were obliged by provisions of the marketing orders or statutes under which they operated to conduct or sponsor research. Allocations of the research budget among four categories of research appear in Table 7.

ADVERTISING/PROMOTIONS AND EDUCATION/INFORMATION PROGRAMS

Eighty-four percent of organizations did advertising and promotions and ninety-nine percent engaged in educational and/or informational activities. Organizations which utilized various promotional and educational media and methods are detailed in Figures 3 and 4.

Table 6. MEAN BUDGET AND TOTAL BUDGET RANGE
BY TYPE OF ORGANIZATION

Type of Organization	Mean Total Budget (dollars)	Total Budget Range (dollars)
Mixed	3,547,900	450,000-12,000,000
Federal Marketing Orders or Legislation	2,035,000	39,200-6,000,000
State Marketing Orders or Legislation	3,121,700 (1,490,900) ^{1/}	25,000-39,000,000
Voluntary ^{2/}	263,300	6,000-1,000,000

^{1/} Mean total budget when \$39 million outlier is omitted.

^{2/} The four organizations with confidential budgets were in this category. The mean total budget figure is based on a sample of 16.

Source: Survey data.

Table 7. AVERAGE PERCENT OF RESEARCH BUDGET ALLOCATED
BY TYPE OF RESEARCH

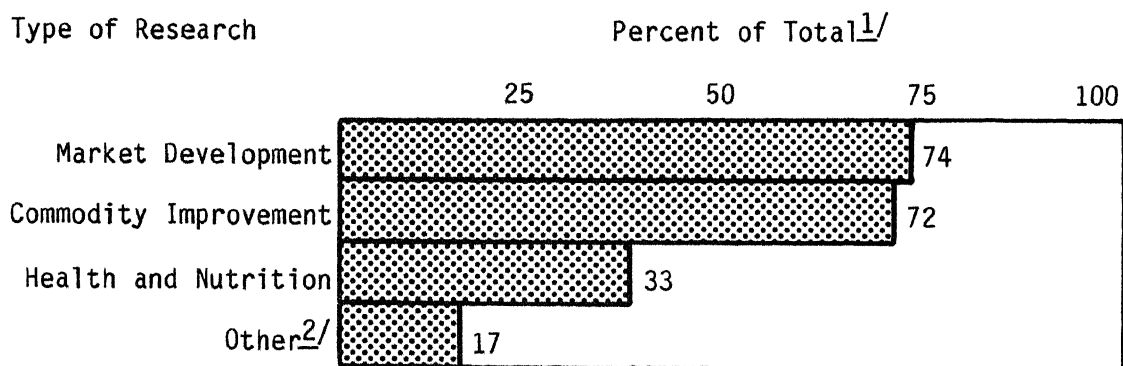
Type of Research	Number of Organizations	Average Percent of Research Budget Spent
Organizations That Did Research	54	
Market Development	40	43 ^{1/}
Commodity Improvement	39	71 ^{1/}
Health and Nutrition	18	42 ^{1/}
Other ^{2/}	8	28

^{1/} Although 54 organizations did research, one did not indicate how the research budget was allocated. Percentages are based on samples of 42, 70 and 41 observations, respectively.

^{2/} Includes product inspection procedures, harvest labor, design of planting and harvesting equipment and energy related projects.

Source: Survey data.

Figure 2. PERCENT OF ORGANIZATIONS BY TYPE OF RESEARCH

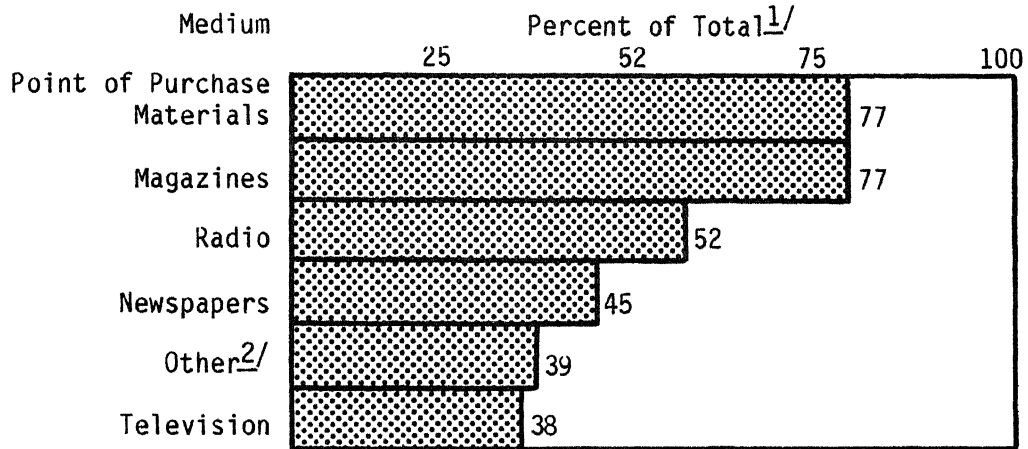


^{1/} Fifty-four organizations sponsored or conducted research. Percentages are based on a sample of 54.

^{2/} Includes product inspection procedures, harvest labor, design of planting and harvesting equipment and energy related projects.

Source: Survey data.

Figure 3. MEDIA UTILIZED IN ADVERTISING AND PROMOTIONS

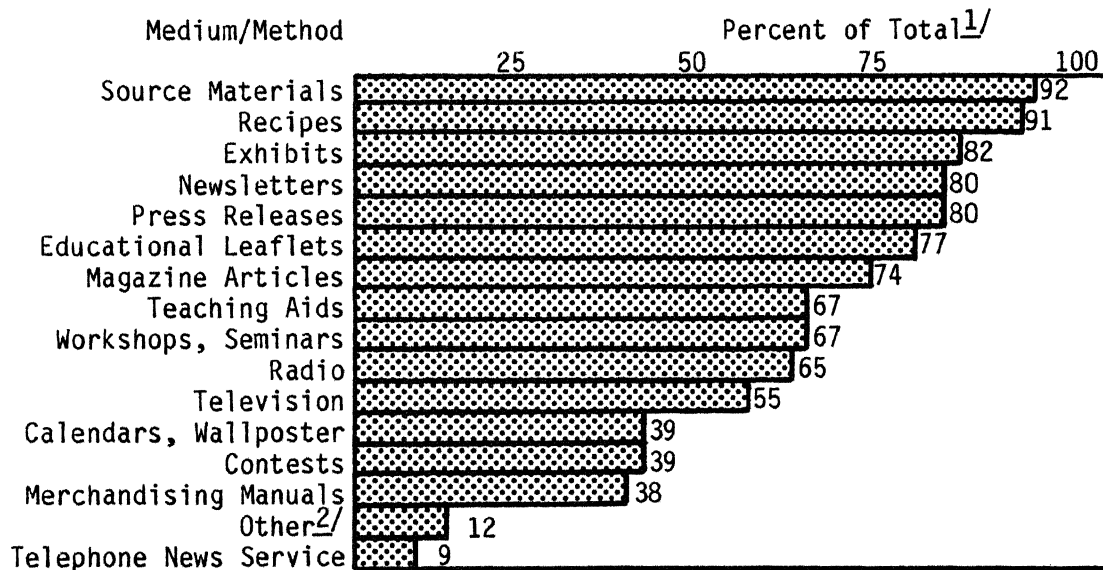


^{1/} Fifty-six organizations did some type of advertising and promotions. Percentages are based on a sample of 56.

^{2/} Includes sales promotions for retailers, material production costs, public relations agency expenses and tie-in promotions.

Source: Survey data.

Figure 4. EDUCATIONAL MEDIA/METHODS UTILIZED BY ORGANIZATION



^{1/} Sixty-six organizations did at least one of these activities. Percentages are based on a sample of 66.

^{2/} Includes information hotlines, films, slides, transparencies, A-V cassettes, merchandising presentations, educational tours and product samples.

Source: Survey data.

Clearly, the most popular promotional media included point of purchase materials, magazines and, to a lesser extent, radio and newspapers. Allocations of the advertising and promotions budget among six media categories appear in Table 8. However, these organizations did not narrowly concentrate their educational efforts since more than half employed all but five of the educational media and methods listed.

Source materials (including photos) and recipes were the most popular of the educational media as over 90 percent of the organizations utilized them. Over three quarters held exhibits at meetings, shows and conventions and utilized newsletters, press releases and educational leaflets to communicate with their target audiences. Over half used magazine articles, teaching aids, workshops, seminars and lectures, radio and television to disseminate information. Calendars, wallposters, contests and merchandising manuals were somewhat less popular and telephone news service was the least favored of these educational media and methods.

Target audiences for several of the media and methods were identified. In the case of advertising and promotions media, target audiences were ascertained only for magazines since consumers are the obvious prime audiences for the other media listed. Target audiences within the education and information category were examined in somewhat greater depth. First, target audiences for the media and methods listed in Figure 4 (excluding lectures, seminars and workshops as well as exhibits

Table 8. AVERAGE PERCENT OF ADVERTISING AND PROMOTIONS BUDGET ALLOCATED TO VARIOUS MEDIA

Advertising Medium	Number of Organizations	Average Percent of Advertising Budget Spent
Organizations That Did		
Advertising and Promotions	56	
Point of Purchase Materials	43	30
Magazines	43	40 ^{1/}
Radio	29	22
Newspapers	25	28
Other ^{2/}	22	24
Television	21	40

^{1/} Although 43 organizations did magazine advertising, two did not pay for it. Percentages are based on a sample of 41.

^{2/} Includes sales promotions for retailers, material production costs, public relations agency expenses and tie-in promotions.

Source: Survey data.

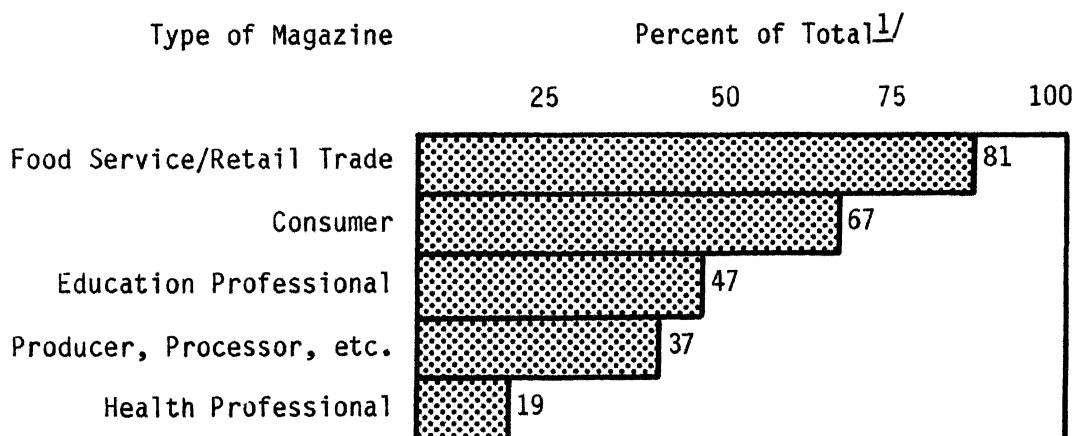
at meetings, shows and conventions) were ascertained. Second, because the information conveyed via workshops, seminars and lectures is more specialized and specific, target audiences for these activities were determined. Similarly, target audiences for exhibits held at conventions, meetings and shows were considered separately. Finally, respondents were asked to choose one educational medium or method they considered to have made the most important contribution to their organizations' goals and to indicate the audience to whom it was directed.

MAGAZINE ADVERTISING

Sixty-four percent of organizations advertised in magazines. A majority (81 percent) targeted the food service/retail food trade which included the following groups: institutional and food service managers, restaurateurs, chefs, and supermarket managers (Figure 5). Approximately two thirds of them advertised in consumer-oriented magazines whereas less than half advertised in magazines directed to educators such as schoolteachers, home economists and extension agents. More than a third of these organizations advertised in magazines for producers and/or market channel intermediaries such as handlers, processors, distributors and manufacturers. Less than 20 percent directed magazine advertising to health professionals, a group that included physicians/nurses, dietitians/nutritionists and dentists/dental hygienists.

The most important and most frequent target audiences for magazine advertisements appear in Figure 5. The majority of respondents indicated that consumers were the most frequent and most important audience followed by the food service/retail food trade. Market channel inter

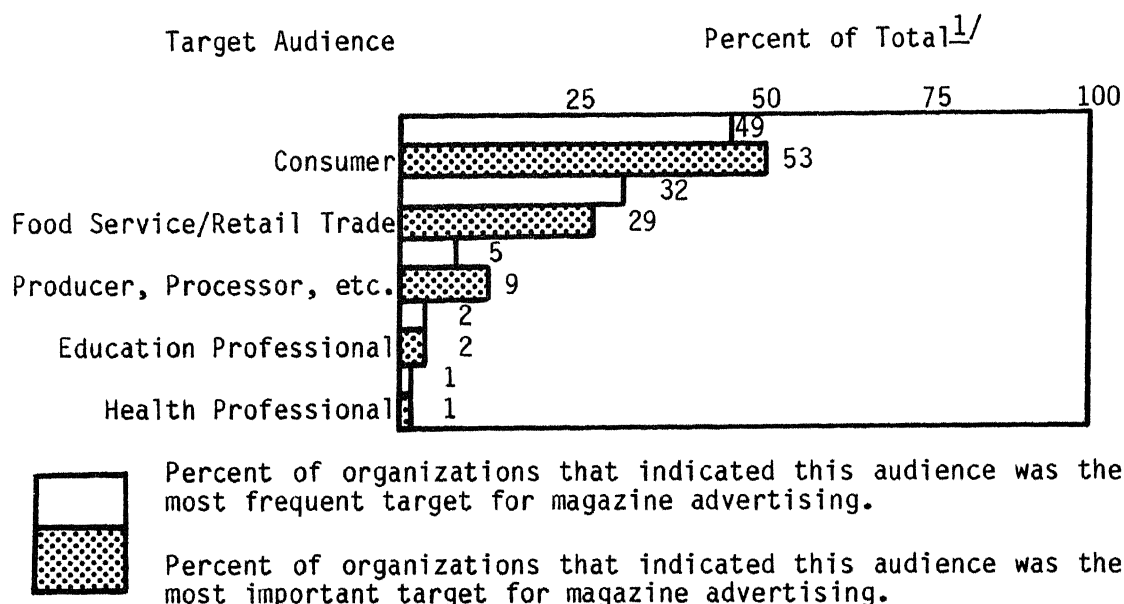
Figure 5. TYPES OF MAGAZINES IN WHICH ADVERTISING APPEARED



^{1/} Forty-three of the 67 respondent organizations did magazine advertising. Percentages are based on a sample of 43.

Source: Survey data.

Figure 6. MOST FREQUENT AND MOST IMPORTANT TARGET AUDIENCES
FOR MAGAZINE ADVERTISING AND PROMOTIONS



^{1/} Forty-three organizations did magazine advertising. Percentages are based on a sample of 43. One organization indicated that their magazine advertising target audiences were equally important.

Source: Survey data.

mediaries and health and education professionals were not primary target audiences for magazine advertising efforts.

GENERAL EDUCATIONAL MEDIA/METHODS

Target audiences for educational media and methods (excluding workshops, seminars and lectures and exhibits) appear in Figure 7. Food editors, consumers and the retail food trade were targeted by a majority of commodity organizations. To a lesser extent, education professionals and students were targeted. Less than half of the organizations directed educational efforts to the remaining audiences. The group that appeared to receive the least attention was affiliate staff. However, since only 18 organizations had affiliates, a total of 61 percent of these made a formal effort to communicate with their counterparts at the local, state or regional levels.

Forty-four organizations utilized lectures, seminars and/or workshops as a means to communicate with their selected target audiences. Those target audiences and the percent of organizations that targeted each are shown in Figure 8.

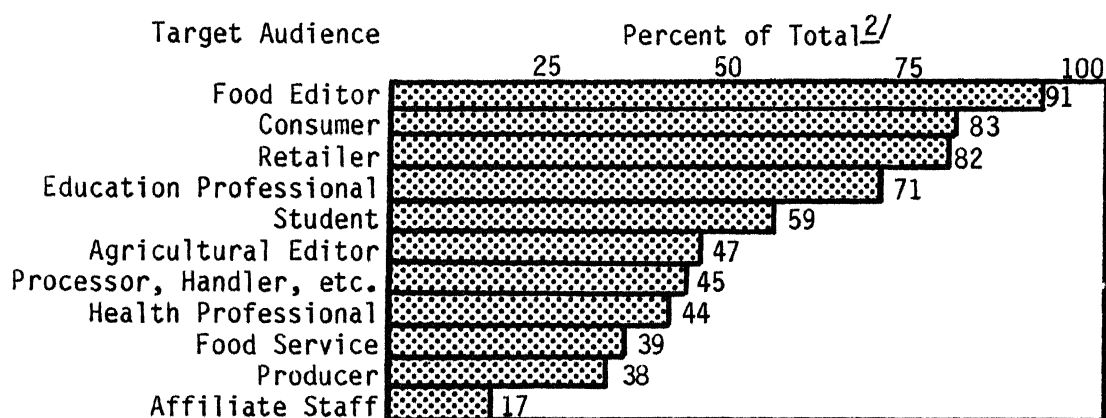
Lectures, seminars and workshops appeared to be an important means to establish or maintain a communication link with the membership since 59 percent of organizations targeted producers. Producers were also the most frequent target audience for lectures, seminars and workshops among organizations in this study.

Nearly half of the organizations targeted the food service/retail food trade, food editors and market channel intermediaries via workshops, seminars and lectures. Education professionals, agricultural editors, affiliate staff and health professionals were targeted by fewer than half.

EXHIBITS

Fifty-four organizations (81 percent) exhibited at meetings, shows and/or conventions and the majority targeted the food service/retail

Figure 7. TARGET AUDIENCES FOR EDUCATIONAL ACTIVITIES^{1/}

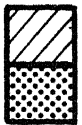
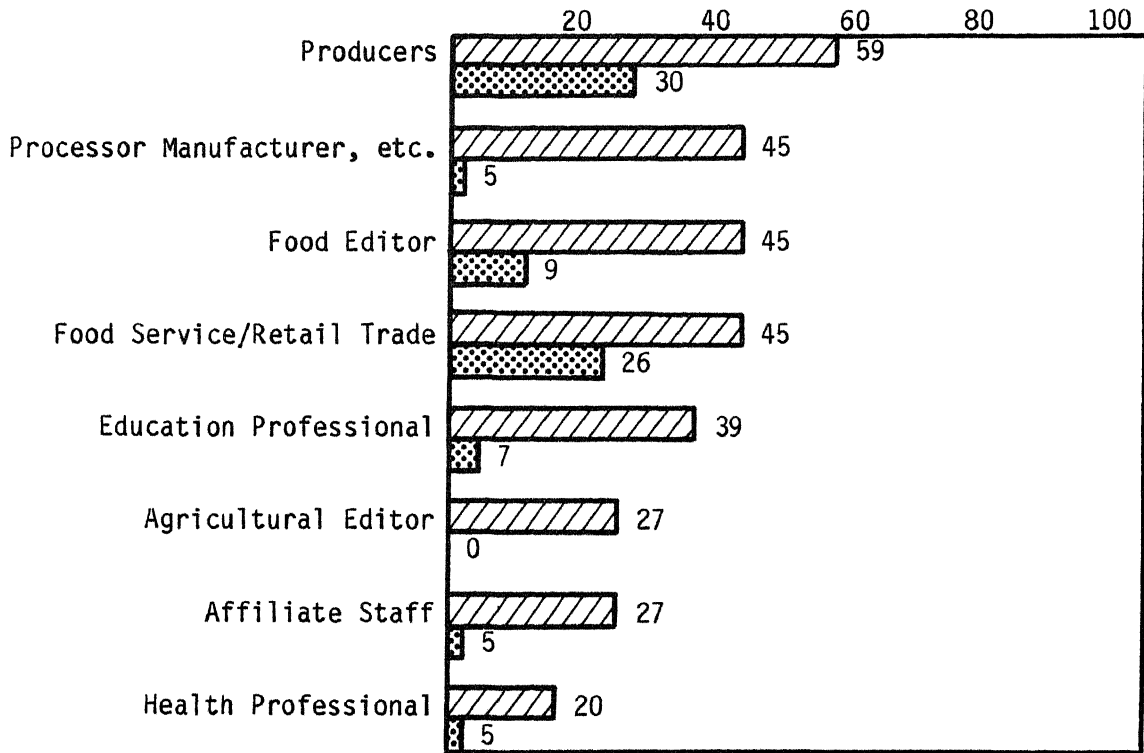


^{1/} Includes source materials, recipes, newsletters, press releases, educational leaflets, magazine articles, teaching aids, radio, television, calendars, wallposters, contests, merchandising manuals, telephone news service and other activities identified by respondents (Figure 4).

^{2/} Sixty-six organizations did some type of educational activities. Percentages are based on a sample of 66.

Source: Survey data.

Figure 8. PERCENT OF ORGANIZATIONS THAT TARGETED AUDIENCES VIA LECTURES, SEMINARS AND WORKSHOPS AND PERCENT THAT TARGETED THE AUDIENCES MOST FREQUENTLY^{1/},^{2/}



Percent of organizations that targeted audience through workshops, seminars and lectures.

Percent of organizations that chose this audience as most frequent target for workshops, seminars and lectures.

^{1/} Forty-three organizations did lectures, seminars and workshops. Percentages are based on a sample of 43.

^{2/} Percentages for most frequent target audiences do not total 100 percent because 4 organizations targeted only one audience and 2 of them mentioned other audiences (the press and consumers).

food trade (Figure 9). Nearly half of the organizations held exhibits at food service/retail food trade events, far more than for any other group.

Education professionals and food editors were targeted by over half of the organizations but less than half held exhibits at meetings, shows or conventions of health professionals or marketing channel intermediaries. Producers and agricultural editors were reached by few organizations through exhibits.

MOST IMPORTANT EDUCATIONAL MEDIA/METHODS AND CORRESPONDING TARGET AUDIENCES

Each respondent chose one educational medium or method that they believed made the most important contribution to fulfilling their organizational goals and identified the target audience for that medium or method. The results in Figure 10 and 11 revealed a diversity of opinion among them with no one method or medium standing out.

Fourteen percent of organizations identified source materials as the most important educational or informational medium. Eleven percent each chose exhibits, magazines and teaching aids, nine percent chose workshops, lectures and seminars and eight percent noted that recipes were most important. The remaining responses covered a broad range of media and methods.

Consumers were chosen by thirty percent of the organizations as the audience to whom their most important educational efforts were directed. Other popular target audiences included food editors, retailers and producers, but consumers stood out significantly. Several other audiences were mentioned by a few of the organizations.

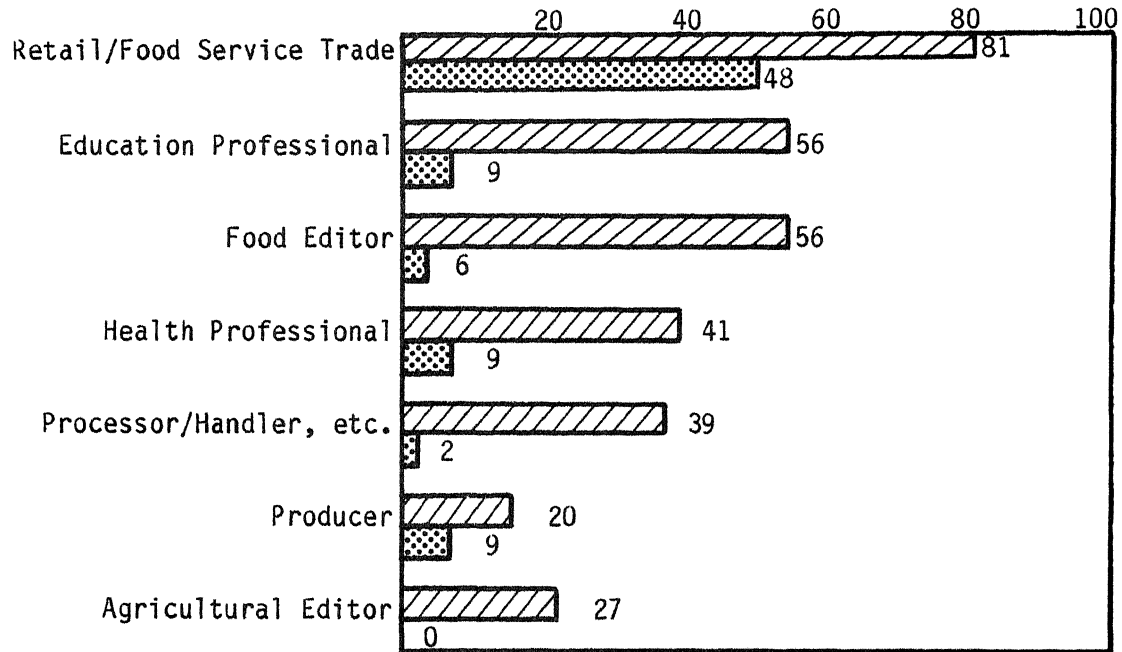
NUTRITION AND HEALTH INFORMATION

Commodity organizations used nutrition and health information readily in both their advertising and education programs (Figure 12). Seventy-six percent of the organizations that did advertising and promotions featured this information to some extent. Thirty percent gave health and nutrition information a prominent place in their advertising campaigns. Similarly, eighty-six percent highlighted the nutrition and health qualities of their commodities to some extent in their education programs--45 percent featured this information prominently.

IMPORTANCE OF CONSUMER-INFLUENCERS AND MEDIA/EDUCATIONAL METHODS

Importance ratings assigned by respondents to a host of potential consumer-influencers are summarized in Table 9. Food editors were perceived to wield considerable influence over consumer attitudes as 95

Figure 9. PERCENT OF ORGANIZATIONS THAT TARGETED AUDIENCES VIA EXHIBITS AND PERCENT THAT TARGETED EACH AUDIENCE MOST FREQUENTLY^{1/},^{2/}



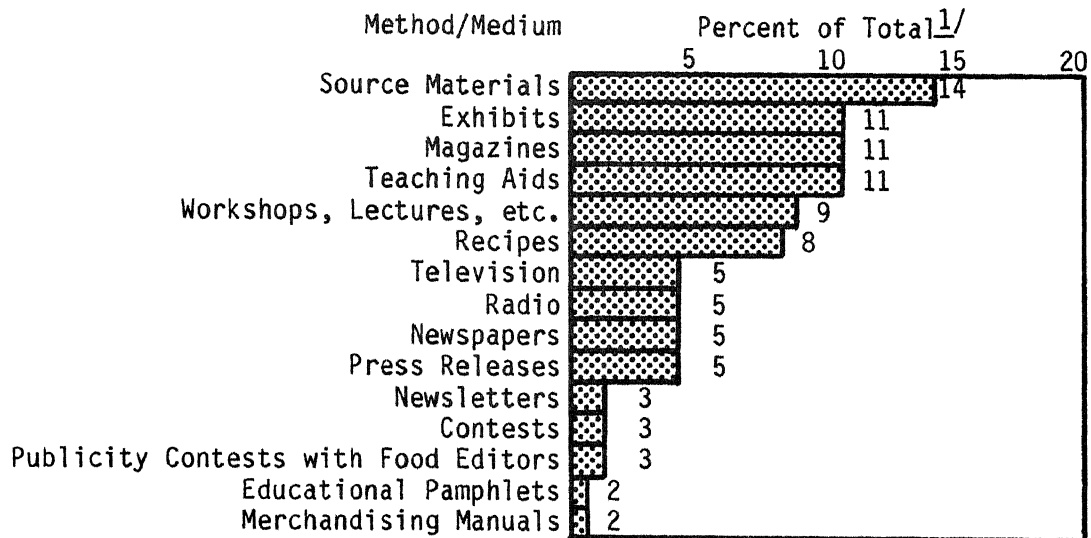
Percent of organizations that targeted audience through exhibits.

Percent of organizations that chose this audience as most frequent one for exhibits.

^{1/} Fifty-four organizations held exhibits. Percentages are based on a sample of 54.

^{2/} Percentages for most frequent audiences do not total 100 percent because 5 organizations held exhibits for only one audience and 1 organization mentioned another audience (attendees of a horticultural convention).

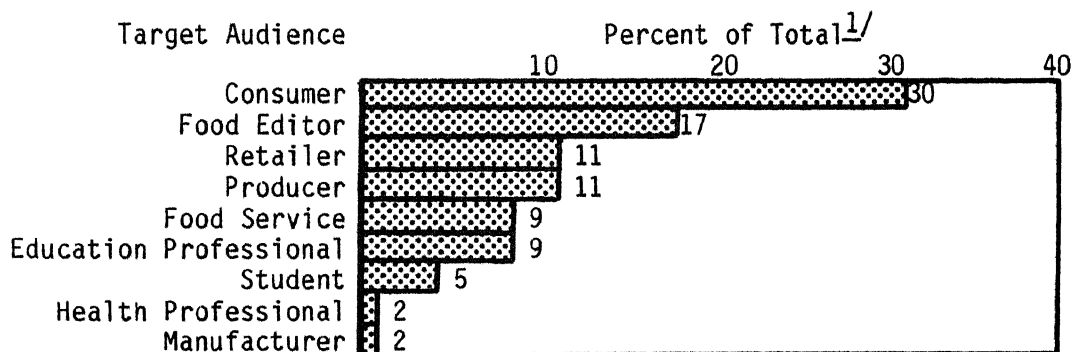
Figure 10. EDUCATIONAL METHODS/MEDIA CHOSEN AS MOST IMPORTANT



^{1/} Percentages are based on a sample of 64. Two organizations indicated that their educational programs were all of equal importance. One organization was new and did not choose. Two organizations did not answer this question.

Source: Survey data.

Figure 11. MOST IMPORTANT TARGET AUDIENCES FOR MOST IMPORTANT EDUCATIONAL METHODS



^{1/} Sixty-six organizations had education programs. Percentages are based on a sample of 66. One respondent indicated that the organization was new and that an evaluation could not be given. Percentages do not total 100 due to rounding.

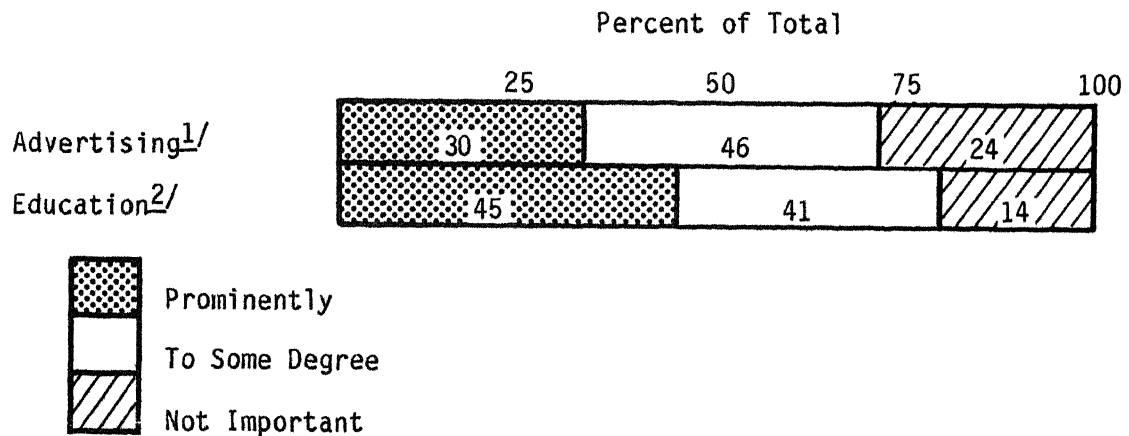
Source: Survey data.

percent of organizations rated this group as fairly or very important. Next, the categories family and home economist/extension agent were rated as very important by over half of the respondents, followed closely by the group dietitian/nutritionist. Other individual education and health professionals were rated lower.

The four top-ranked consumer-influencer groups were frequent and prominent target audiences for advertising and/or educational programs. However, nearly half of the respondents rated the "brand name company dealing with (my) commodity" as very important. Other groups not specifically targeted by commodity organizations through their advertising and/or education programs that nevertheless ranked relatively high on the list included consumer spokesperson and TV/radio personality.

Respondents also rated a number of educational and/or advertising media for their importance in terms of influencing consumer attitudes about their commodities (Table 10). Over 50 percent of them gave ratings of very or fairly important to all of the media except

Figure 12. DEGREE TO WHICH NUTRITION AND HEALTH INFORMATION
FEATURED IN ADVERTISING AND EDUCATION PROGRAMS



^{1/} Fifty-seven organizations did advertising and promotions. Percentages are based on a sample of 57.

^{2/} Sixty-six organizations had education programs. Percentages are based on a sample of 66.

Source: Survey data.

Table 9. IMPORTANCE RATINGS ASSIGNED TO CONSUMER-INFLUENCERS^{1/}

Consumer-Influencer	Importance Rating				Total ^{2/}
	Very	Fairly	Somewhat	Not	
	number of responses (percent)				
Food Editor	58 (88)	5 (7)	2 (3)	1 (2)	66 (100)
Family	41 (62)	18 (27)	7 (11)	0 (0)	66 (100)
Home Economist/Extension Agent	34 (51)	19 (29)	12 (18)	1 (2)	66 (100)
Dietitian/Nutritionist	32 (48)	23 (35)	7 (11)	4 (6)	66 (100)
Brand Name Firm Dealing with Commodity	32 (48)	19 (29)	9 (14)	6 (9)	66 (100)
Consumer Spokesperson	31 (47)	22 (33)	8 (12)	5 (8)	66 (100)
TV/Radio Personality	31 (47)	20 (30)	7 (11)	8 (12)	66 (100)
Schoolteacher	22 (33)	22 (33)	17 (26)	5 (8)	66 (100)
USDA/FDA Spokesperson	20 (30)	26 (39)	15 (23)	5 (8)	66 (100)
Cooking Class Instructor	20 (30)	21 (32)	24 (36)	1 (2)	66 (100)
Food Service Worker	20 (30)	15 (23)	21 (32)	10 (15)	66 (100)
Organized Diet Group Leader	18 (27)	24 (36)	18 (27)	6 (9)	66 (100)
Physician/Nurse	16 (24)	12 (18)	21 (32)	17 (26)	66 (100)
Legislator	13 (20)	16 (24)	14 (22)	22 (34)	65 (100)
Friend	13 (20)	15 (23)	24 (37)	13 (20)	65 (100)
Food Activist	11 (17)	24 (36)	23 (35)	8 (12)	66 (100)
Other Product Advertiser	11 (17)	20 (30)	21 (32)	14 (21)	66 (100)
Supermarket Clerk	11 (17)	13 (19)	19 (29)	23 (35)	66 (100)
Athletic Coach/Health Spa Operator	6 (9)	8 (12)	23 (35)	29 (44)	66 (100)
Waiter/Waitress	4 (6)	9 (14)	34 (51)	19 (29)	66 (100)
Dentist/Dental Hygienist	3 (5)	5 (8)	14 (21)	44 (66)	66 (100)
Health Store Clerk	2 (3)	14 (21)	15 (23)	35 (53)	66 (100)
Pharmacist	0 (0)	3 (4)	9 (14)	54 (82)	66 (100)
Drug Store Clerk	0 (0)	1 (2)	2 (3)	63 (95)	66 (100)

^{1/} Other consumer-influencers identified by individual respondents as being very important included: retail merchandiser, food service menu planner, producer, state agriculture department, consumer affairs director, bakers/candy makers, chamber of commerce, homemaker, scientist, researcher and wholesaler.

^{2/} One respondent did not rate these consumer-influencers. Where totals are 65, another respondent skipped that rating. Percentages are based on a sample of 66 unless otherwise noted.

Source: Survey data.

Table 10. IMPORTANCE RATINGS FOR MEDIA AND EDUCATIONAL METHODS^{1/}

Medium/Method	Importance Rating				Total
	Very	Fairly	Somewhat	Not	
	number of responses (percent)				
Magazines	44 (67)	16 (24)	4 (6)	2 (3)	66 (100)
Newspapers	42 (65)	14 (21)	8 (12)	1 (2)	65 (100)
Educational Pamphlets	39 (59)	19 (29)	7 (10)	1 (2)	66 (100)
Television	39 (59)	13 (20)	6 (9)	8 (12)	66 (100)
Point of Purchase Materials	38 (58)	22 (33)	4 (6)	2 (3)	66 (100)
Books, Booklets on Diet and Cooking	31 (47)	25 (38)	10 (15)	0 (0)	66 (100)
Radio	31 (47)	18 (27)	12 (18)	5 (8)	66 (100)
In-store Demonstrations and Taste Tests	20 (30)	18 (27)	23 (35)	5 (8)	66 (100)
Food Labels	15 (23)	22 (33)	16 (24)	13 (20)	66 (100)
Printed Government Materials	8 (12)	28 (42)	17 (26)	13 (20)	66 (100)
Billboards	0 (0)	6 (9)	25 (38)	35 (53)	66 (100)

^{1/} One respondent indicated that recipes placed in retail stores were very important.

Source: Survey data.

Table 11. AVERAGE PERCENT OF TOTAL BUDGET ALLOCATED TO RESEARCH, ADVERTISING AND EDUCATION

Activity	Number of Organizations	Average Percent of Total Budget
Research	54	16
Advertising/Promotions	56	43
Education/Information	66	26 ^{1/}
Other ^{3/}	55	30 ^{2/}

^{1/} Although 66 organizations did education activities, one did not pay for them and another did not indicate the portion of total budget spent on education. Percentage is based on a sample of 64.

^{2/} Although 55 organizations did "other" activities, one did not indicate the portion of total budget spent there. Percentages are based on a sample of 54.

^{3/} Includes administrative costs, lobbying and government affairs, transportation, awards, membership services, membership solicitation and maintenance, grants to other organizations, export development and statistics collection.

Source: Survey data.

billboards. Magazines and newspapers rated highest and were followed closely by educational pamphlets, television and point of purchase materials. Organizations tended to give lower ratings to those media over which they exercised little or no direct control such as food labels and printed government materials.

TOTAL BUDGET ALLOCATIONS

Respondents were asked how their organizations allocated their budgets among research, advertising and education. The average percentages of total budget spent on each of these activities are reported in Table 11.

Organizations that sponsored or conducted research spent an average of 16 percent of their total budgets on research. Organizations that had advertising and education programs allocated an average of 43 and 26 percent of their total budgets to these activities, respectively. A miscellaneous or "other" category accounted for an average of 30 percent of the total budgets of 55 organizations. These other activities included administrative costs, lobbying and government affairs, transportation, awards, membership services, membership solicitation and maintenance, grants to other organizations, export development and statistics collection.

SUMMARY OF DATA ANALYSES

A number of variables were examined for their possible influence on the questionnaire results. Organizations were grouped by specific variable and differences among their responses were determined. Cross tabular analysis and comparisons of means were the main analytical techniques used.

Multiple regression analysis was used to determine whether variables had a positive, negative or neutral effect on the allocations of the total budget to research, advertising and education. A similar analysis was done for market development, commodity improvement and health and nutrition research as a share of the research budget.

The results involving four of the sixteen variables used in the analyses are discussed below. The relationships found for these variables were consistent and significant. The four variables included the Dietary Goals, total budget, income elasticity and price elasticity.

DIETARY GOALS

Eight organizations in this study (12 percent) represented commodities associated with adverse health consequences as reported in the

Dietary Goals for the U.S. They represented the following commodities: beef, lamb, pork, eggs and dairy products. The remainder represented commodities that were linked with positive health benefits or were not mentioned specifically in the recommendations. The two groups were compared to ascertain if differences existed between them in terms of both their program orientation and their target audiences. It was expected that organizations representing commodities whose consumption was discouraged by the Goals would, in an effort to counter the negative publicity, give more attention to the health and nutrition qualities of their products. This would be reflected in budgetary allocations to nutrition activities and the frequency with which certain audiences were targeted.

The results were consistent with the expectations. Organizations representing commodities associated with adverse health effects gave more emphasis to nutrition and health information in their advertising, education and research programs than did the other organizations. Proportionately more of them targeted health professionals through both magazine advertising and educational programs when compared with the other organizations. They also gave higher importance ratings to certain key individuals and groups (among them, health and education professionals, consumer spokespersons, USDA/FDA spokespersons and legislators).

The results indicate that a sizeable number of organizations representing commodities associated with positive or neutral health benefits gave some emphasis to health and nutrition information, as well, in their advertising and education programs. They also did health and nutrition research, though not to the extent that the other group did.

The Dietary Goals also were found to influence the proportion of the total budget allocated to research and the share of the research budget spent on health and nutrition research. Organizations representing commodities that had been linked to possible negative health consequences by the Dietary Goals allocated a larger portion of their total and research budgets to these two categories than did the other organizations.

TOTAL BUDGET

It was expected that organizations with larger budgets would be involved in a greater variety of activities and be able to reach a greater number of different target audiences compared to those with relatively smaller budgets. It was also expected that the budget level would have some influence over the allocation of that budget among research, education and promotion programs. Mean total budgets of organizations that sponsored or conducted market development, commodity improvement and health and nutrition research were compared. In all three cases, organizations that did the research had higher mean total

budgets than those that did not. A comparison of budgets of organizations that did each type of research indicated that health and nutrition and market development research were favored by those with larger budgets.

A positive relationship was found between total budget and the number of different audiences targeted through both magazine advertising and educational programs. Organizations with total budgets ranging above the mean targeted more different audiences than those that fell below the mean.

Results also indicated that as total budget increased, so did the proportion of the total budget allocated to advertising. Similarly, a positive relationship was found to exist between total budget and the share of the research budget spent on market development research. However, negative relationships were found between total budget and both research and education as a share of total budget and for production research as a share of the research budget.

INCOME ELASTICITY

It was thought that, in an effort to raise the perceived status of their commodities among consumers and other target audiences, organizations representing relatively income inelastic commodities would give more emphasis to the nutritional and health qualities of their products in their programs. However, results showed that organizations representing income elastic commodities consistently gave more emphasis to health and nutrition information in both their education and advertising programs than did those representing less elastic ones. Mean income elasticities were higher for commodities represented by organizations that targeted health and education professionals, using magazine advertising and education programs, than for those organizations which targeted other audiences. Similar results were also found between organizations that chose education professionals as the most important target audience for education programs and those choosing other audiences.

Individual health and education professionals (e.g.: dietitian/nutritionist, schoolteacher) received higher importance ratings from organizations representing income elastic commodities than they did from those representing relatively inelastic ones. A positive relationship was found to exist between income elasticity and the proportion of the research budget spent on health and nutrition research. Negative relationships were found to exist between income elasticity and both advertising and education as a share of the total budget. In short, the results concerning elasticity turned out to be the opposite of what had been originally expected.

PRICE ELASTICITY

Economic theory suggests that producers of price elastic commodities can expect total revenue to increase as a consequence of increasing demand. For this reason, it was expected that organizations representing relatively price elastic commodities would favor strategies having a more direct impact on the quantity demanded. It follows that such organizations might conduct or sponsor market research over other types of research and focus on advertising instead of education and research, and that they would be more likely to direct their activities to consumers rather than to consumer-influencers. Mean price elasticities of demand were determined for commodities represented by organizations that did and did not do commodity improvement and market development research. Mean elasticities for market development differences were virtually identical, whereas more organizations representing price inelastic commodities appeared to do commodity improvement or production research.

Price elasticity was found to be positively related to the share of the total budget devoted to both advertising and education and negatively related to research as a share of total budget. Also, a positive relationship appeared to exist between this variable and the portion of the research budget allocated to market development research whereas a negative one was found for both production and health and nutrition research as a share of the research budget. Thus, the results confirmed the expectations.

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